

Health Insurance Reform

DAILY MYTHBUSTER: Insurance Industry Attack on Public Option and How Members of Congress' Health Care Is Treated the Same as All Americans

Health insurance reform opponents, including insurance companies and Congressional Republicans, continue to spread myths about [America's Affordable Health Choices Act](#)'s public option and coverage.

Myth: “A government-run plan would... force employers to drop their coverage, creating a death spiral for private insurance and financial catastrophe for many hospitals and doctors.” - Karen Ignagni, President and CEO of America's Health Insurance Plans [\[8/04/09\]](#)

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Fact: The public health insurance option available in America's Affordable Health Choices Act would provide consumers with a choice and encourage innovation and cost containment, especially in regions where one or two private insurance companies dominate the market and could use a little competition.

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Recent analysis by the Congressional Budget Office (CBO) also confirmed the provisions in H.R. 3200, such as the individual and employer responsibility requirements, retaining the tax benefit for employer-sponsored insurance, and the targeted income-related structure of

affordability credits would result in dramatically increased coverage without crowding out private insurance. The analysis states the bill would:

- Lead to an increase in employer sponsored insurance coverage: “We estimate that about 12 million people who would not be enrolled in an employment-based plan under current law would be covered by one in 2016...”
- Not crowd out private health insurance: “CBO does not anticipate a substantial shift from private insurance to Medicaid.”
- Not lead to inflated public option enrollment, in fact, private plans would be dominant in marketplace. The CBO projects only about 10 to 11 million individuals in the public option by 2019.
- Several of the bill’s measures could lead to decreased costs for the average consumer (e.g. encouraging healthy consumers to purchase insurance, reducing the “cost shift” of the uninsured, and reforms to Medicare). [\[For More Information on CBO Analysis\]](#)

That is why many [independent organizations](#) are calling for a public health insurance option, including the American Public Health Association, National Physicians Alliance, American Academy of Nursing and the Main Street Alliance, a small business group. In fact, the National Physicians Alliance wrote: “By creating a public health insurance option, it will help to put the brakes on out of control health care costs, help to foster innovative reforms and competition in the insurance market, and create meaningful choice for our patients.”

Myth: “Under the current draft of the Democrat health care legislation, members of Congress are curiously exempt from the government-run health care option, keeping their existing health plans and services on Capitol Hill.” – Republican Congressman John Fleming of Louisiana. [\[Link\]](#)

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Fact: Members of Congress’ health care plan will be subject to the same rules as all other employer-sponsored plans. Nothing in the legislation exempts the Federal Employee Health Benefits plan (the plan members of Congress and staff enroll in) from the reforms.

By the end of 2018, all employer-sponsored health insurance plans will have to meet at least

the same basic minimum standards of coverage as those insurance plans as offered through the exchange. These minimum standards include coverage for preventative care, inpatient and outpatient hospital services, maternity care, and mental health services, among others. The FEHB will also follow these rules

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More than 90 percent of all employer-sponsored plans offered today are likely to meet or exceed the bill's minimum standard of coverage under our legislation, including the FEHB . In these cases, employees would not see any changes in how they use their plan, the doctors they choose or the care they receive. The remaining plans will have until the end of 2018 to make these minor adjustments.